

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3404-02
Bill No.: HCS for HB 1504
Subject: Health Care; Health Care Professionals; Health, Public; Physicians; Social Services Dept.
Type: Original
Date: March 18, 2008

Bill Summary: Allows physicians to utilize expedited partner therapy by dispensing and prescribing medications for partners of persons with sexually transmitted diseases and who do not have an established physician.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(\$6,000 to \$103,272)	(\$0 to \$122,819)	(\$0 to \$126,504)
Total Estimated Net Effect on General Revenue Fund	(\$6,000 to \$103,272)	(\$0 to \$122,819)	(\$0 to \$126,504)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **St. Louis County Department of Health** assume the proposal will have no fiscal impact on their organization.

Officials from the **Department of Social Services (DOS) - MO HealthNet Division** state this legislation would allow physicians to dispense and prescribe antibiotic medications that are in pill form for an individual who is the partner of a person with chlamydia or gonorrhea and who does not have an established physician/patient relationship with such physician. Section 191.498.4 grants any physician utilizing expedited partner therapy immunity from civil liability unless the physician acts negligently.

MO HealthNet covers these types of antibiotics. Based on data for FY 07, MO HealthNet spent approximately \$13,000 on these antibiotics for individuals diagnosed with chlamydia or gonorrhea. Therefore, it is expected that this legislation would have a very minimal fiscal impact and the MO HealthNet Division could absorb any additional expenditures.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** state that having reviewed the proposed legislation and having sought the conclusion of the appropriate board(s), they are of the opinion this proposal, in its present form, has no fiscal impact on their organization.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal for Administrative Rules is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Department of Health and Senior Services (DOH)** provide the following assumptions for this proposal:

Section 191.648.3

The DOH anticipates that Kansas City, St. Louis City, Pemiscot county, and Mississippi county will be the areas in which the proposed legislation will have the greatest impact. Additional counties will be affected but currently only report a small number of cases of chlamydia and gonorrhea.

ASSUMPTION (continued)

The DOH assumes that in a metropolitan STD clinic for each case of gonorrhea and chlamydia there will be at least one partner for each original patient that would be eligible for EPT (expedited partner therapy).

In calendar year 2006, Kansas City, St. Louis City, Pemiscot county, and Mississippi county combined reported 4,549 cases of chlamydia and 3,377 cases of gonorrhea diagnosed within their local public health agencies.

One gram of azithromycin is used in the treatment of chlamydia. The cost for one gram is \$2.21. The prescription drug used in the treatment of gonorrhea is 400 mg of suprax. The cost for this is \$28. The DOH estimates the increase in the cost of prescription drugs for treatment to be \$104,610 as provided below:

Chlamydia treatment = one gram of azithromycin = $\$2.21 \times 4,549 \text{ cases} = \$10,054$

Gonorrhea treatment = 400 mg of suprax = $\$28 \times 3,377 \text{ cases} = \$94,556$

Total Treatment = \$104,610

In addition, approximately three out of one-hundred (three percent) infected individuals would be considered to require disease intervention specialist (DIS) delivered therapy. This is a method in which a public health disease investigator is available to locate, counsel, and deliver the appropriate medication to individuals, as well as perform the routine disease investigation. Approximately 238 ($4,549 + 3,377 = 7,926 \times 0.03$) infected individuals may require these services. The DOH assumes that each field visit will average 40 miles round trip and will take approximately 1.5 hours.

The average salary for a contracted disease investigator is \$60,000 per year. If the disease investigator makes 238 visits and each takes 1.5 hours, funding would be needed for 357 (238×1.5) contracted hours as well as mileage for 9,520 hours.

$\$60,000 / 2080 \text{ hrs} = \28.85 per hour

$357 \text{ hours} \times \$28.85 = \$10,300$

$238 \text{ visits} \times 40 \text{ miles} = 9,520 \text{ miles} \times 0.455 \text{ cents} = \$4,332$

The estimated funding of \$14,632 ($\$4,332 + \$10,300$) needed for the disease investigator will be contracted out to the Local Public Health Agencies.

ASSUMPTION (continued)

Section 191.648.4

This section of the proposed legislation states that the DOH and the Department of Insurance, Financial Institutions and Professional Registration shall develop guidelines for the implementation of this proposed legislation. The DOH estimates that it will require 80 contracted physician hours in order to fulfill this requirement. The average contracted physician receives \$75 per hour, therefore, requiring total funds of \$6,000 (80 hours x \$75). This funding would only be required in the first fiscal year.

The DOH estimates the total cost for implementation of the proposed legislation to be \$6,000 to \$103,272 for FY 09; \$0 to \$122,819 for FY 10; and \$0 to \$126,504 for FY 11.

Officials from the **City of St. Louis, City of Kansas City, Boone County, Callaway County, Cape Girardeau County, Greene County, Jackson County Executive, Johnson County, Miller County, Platte County, and Scotland County** did not respond to our request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE FUND			
<u>Costs - DOH</u>			
Medications and contract costs	<u>(\$6,000 to \$103,272)</u>	<u>(\$0 to \$122,819)</u>	<u>(\$0 to \$126,504)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$6,000 to \$103,272)</u>	<u>(\$0 to \$122,819)</u>	<u>(\$0 to \$126,504)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal may impact small business physician offices if physicians need to dispense or write prescriptions for partners that don't have an existing physician/patient relationship.

FISCAL DESCRIPTION

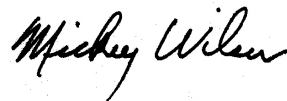
This proposal allows physicians to use expedited partner therapy under certain conditions by dispensing and prescribing medications for partners of persons diagnosed with certain sexually transmitted diseases even when there is no existing physician/patient relationship.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions and Professional Registration
Department of Health and Senior Services
Department of Social Services
Office of Secretary of State

NOT RESPONDING: Cities of: St. Louis, Kansas City, and Counties of: Boone, Callaway, Cape Girardeau, Greene, Jackson, Johnson, Miller, Platte, and Scotland



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Director
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